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28 NOV 1962

MEMORANDUM FOR: Chief, Technical Accounting Staff

SUBJECT: Survey of Area Division  
BF Functions

29	REV	28	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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1. This is in reference to our recent conversation with the Deputy Comptroller concerning a survey or review in each BF office by a Task Group consisting of one individual from TAS, one individual from Finance Division, and possibly one individual from the Comptroller's immediate staff.

2. Attached in draft form is a suggested outline of items which might be reviewed in connection with these surveys. This list is divided into two parts; Part I lists those items to be reviewed and commented upon in general terms and Part II lists those items which should be reviewed and commented upon in specific terms. This list is still in draft form and will need to be edited and refined, both as to content and format.

3. My suggestions concerning this Task Group effort are as follows:

- a. That the Task Group confine its survey in each office to a factual review only, and not get involved in recommendations for remedial action or adequacy of staffing in each individual office.
- b. That the TAS member be in charge of the Group and record the findings made in each office, so that when all offices have been surveyed the results can be utilized for the preparation of a comprehensive report with accompanying general conclusions and recommendations.
- c. That the Finance Division member(s) be rotated between the Certifying Officers of the respective area components, so that the facts gained can be directly applied in connection with his day to day work with the area office.
- d. That we refine the attached list and provide the Task Group with specific instructions respecting the scope and nature of the survey.



Chief, Finance Division

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Attachment

Distribution:

Orig &amp; 1 - Addressee

1 - O&amp;L

2 - Fin Div (Chrono)  
(O&M - Surveys)

29	REV	28	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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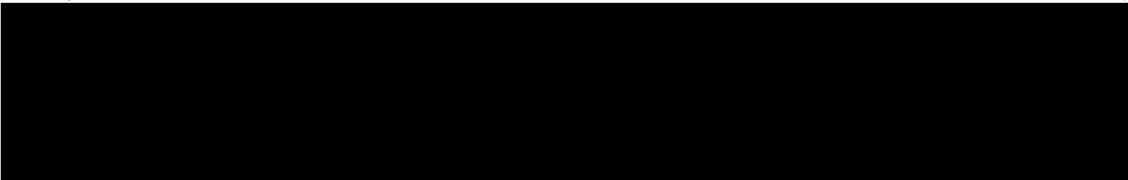
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OUTLINE OF ITEMS TO BE REVIEWED  
DURING BE OFFICE SURVEY

GENERAL REVIEW - PART I

1. Budget preparation and development. Role in development of operational program and office estimates. Periodic review and adjustments.
2. Control of allotments. Consider recording of obligations, expenditures, liquidation of obligations, flow of obligating and liquidating documents, posting, and adjustments.
3. Use of Comptroller records; ADPD listings, Finance Division records and files, Budget Division files, etc.
4. Liaison with Comptroller elements and assistance received; Finance Division (OSL, Monetary, and Accounts Branches), TAS, and Budget Division.
5. Liaison with operating component elements--assistance given and received; Division Chiefs and Deputies, Support Officers, Personnel, Logistics, and Operational Branches.
6. Role in preparation of Project Administrative Plans and Fiscal Annexes. Coordination with other elements, review of projects, etc.
7. Administration of Staff, contract and agent personnel; overtime, briefing for overseas travel, cover contracts, hardship claims, record keeping, etc.
8. 
9. Review of project proposals, notification to Stations of approvals.
10. Audit reports, headquarters and field; records kept, corrective action taken, written replies.

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GENERAL REVIEW - PART I - (Cont'd.)

11. Origination, receipt, control, and coordination of correspondence.
12. Imprest and/or revolving funds; custodianship, record keeping, review, and accounting.

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OUTLINE OF ITEMS TO BE REVIEWED  
DURING BF OFFICE SURVEY

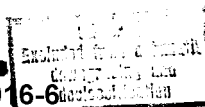
SPECIFIC REVIEW - PART II

1. Methods used in processing of travel orders, all advances and accountings; preparation, establishment of due dates, due date follow-ups, collection of refunds, procedure for handling delinquent accountings, audit difference statements, use of and review of advance account listings. Effectiveness or delay in document processing and monitoring advances and accountings.
2. Reports rendered; to Comptroller elements, division elements, to DDP/PG, and to others.
3. Procedure used in handling station accountings, T/A's, vouchers, and other financial reporting received; extent of audit, reviews, and record keeping on such documents.
4. Statistics: number of personnel in BF office, in Division, number of Class A Stations reporting, Class B Stations, number of projects (PI, PP/PM, CA), number of allotments accounts serviced, number of projects with Administrative Plans, with Fiscal Annexes, without either.
5. Estimated distribution of functional responsibilities by man years tied into total BF personnel assigned.
6. Number of delinquent accountings outstanding at time of survey: Travel, Operational, "B" Station
7. Average number of accountings processed per month, and average documentation for:

T/A's

Class A Stations

Class B Stations



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7. Cont'd.

Project Accountings

Travel Accountings

Special Claims

8. Type and volume of record keeping and files maintained, i.e.,  
obligation records, voucher files, logs, memo records, etc.

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MEMORANDUM FOR: ~~Comptroller~~Chief Financial  
Chief TAS

SUBJECT :

~~Financial Advisory Committee Surveys~~

Task Group to Survey Financial Practices

1. The Comptroller Financial Advisory Committee recently reported on two surveys it had conducted. One was concerned with <sup>attempting to determine those</sup> which financial procedures, methods and techniques <sup>which should</sup> could be improved or eliminated and the <sup>determining possible changes in reporting requirements.</sup> other with reports. The Committee arrived at the following conclusions:

- "a. The procedures and methods problem is interrelated with the reports problem. The two surveys, although conducted about nine months apart, showed that most of the procedures and methods used in the offices were designed to accumulate information required (1) by the Comptroller for reporting purposes, and (2) to answer questions raised in connection with budgets and operations. If there could be a change in reporting requirements, if the machines could satisfy more of the requirements, and if there could be some standardization of approach to inquiry information, then, the offices felt there could be possible saving in procedures and methods.
  - b. Most offices believe that what they are doing is satisfactory. The Committee feels that there is room for improvement but the specifics cannot be located through the present informal approach of asking -- nothing short of a full-time on-the-spot review by a task group can do the job."
2. Two of the recommendations made by the Committee are as follows:
- "a. The Comptroller prepare a document describing the kinds of financial data currently available. Such a document could be used to offset the common complaint that the offices are not aware of the kinds of data available and, therefor, establish their own system to obtain data that may be readily available from a source within the Office of the Comptroller.
  - b. A small task group (not more than three) be appointed to work full-time on an office by office survey to review working methods and procedures and to determine the financial data and reporting requirements. It is felt that a technically qualified group is in a better position to ferret out unnecessary procedures in an office and to assist the office in determining requirements for financial data. Such a group, to be of any value, must be able to devote full attention to assisting the offices; the members should be free of all other assignments....."

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3. A Task group consisting of [REDACTED] chairman, [REDACTED]

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- 2 -

and [REDACTED] is appointed to comply with the recommendations.  
The document describing the kinds of financial data should be ready for  
distribution by 15 March 1963. The office surveys should be undertaken  
immediately and reports issued as each office survey is completed.

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MEMORANDUM FOR: Comptroller

18 OCT 1962

SUBJECT : Financial Advisory Committee Surveys

1. The Advisory Committee recently requested each of the offices to submit comments concerning which financial procedures, methods and techniques could be improved or eliminated. Earlier in the year, a financial reports survey had been conducted. The Committee arrived at the following conclusions on the survey results:

- a. The procedures and methods problem is interrelated with the reports problem. The two surveys, although conducted about nine months apart, showed that most of the procedures and methods used in the offices were designed to accumulate information required (1) by the Comptroller for reporting purposes, and (2) to answer questions raised in connection with budgets and operations. If there could be a change in reporting requirements, if the machines could satisfy more of the requirements, and if there could be some standardization of approach to inquiry information, then, the offices felt there could be possible saving in procedures and methods.
- b. Most offices believe that what they are doing is satisfactory. The Committee feels that there is room for improvement but the specifics cannot be located through the present informal approach of asking -- nothing short of a full-time on-the-spot review by a task group can do the job.

*in forward* 2. The suggestions for procedural improvements have been forwarded to the Technical Accounting Staff for review and evaluation. Because most of the comments dealt with technicalities rather than proposals for major changes it is doubtful that any material savings in manpower will result.

3. The reports survey did reveal a major weakness in our system -- there is a clear lack of understanding as to the kinds of financial data available and, most interesting, how the data can be used to improve financial controls and management in general. There appears to be a feeling that the Office of the Comptroller is issuing reports it wants without complete concern for the operating office. Of course, this is not true but does point up the need for better training (or education) in the composition and use of financial data. The general observations were:

- a. Much information is duplicated in various reports,
- b. There is an unusually large number of reports required for budget purposes only as compared to those presently required for operating purposes,

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- c. Universally poor identification of reports and the data contained in them, and
  - d. Timeliness -- the reports are generally considered to be too late to be of any value other than budget preparation.
4. In view of the need for better and more timely financial information, the objective to make the most practical use of machines, and the desire to conserve manpower the Committee makes the following recommendations:
- a. The Comptroller prepare a document describing the kinds of financial data currently available. Such a document could be used to offset the common complaint that the offices are not aware of the kinds of data available and, therefor, establish their own system to obtain data that may be readily available from a source within the Office of the Comptroller.
  - b. A small task group (not more than three) be appointed to work full-time on an office by office survey to review working methods and procedures and to determine the financial data and reporting requirements. It is felt that a technically qualified group is in a better position to ferret out unnecessary procedures in an office and to assist the office in determining requirements for financial data. Such a group, to be of any value, must be able to devote full attention to assisting the offices; the members should be free of all other assignments. An adequate job, as conceived by the Committee, could require up to three years of study. This does not mean that no results would be obtained until the total survey is completed. On the contrary, since each office appears to have its own system, improvements should be effected with each office survey.
  - c. The use of revolving funds for procurement purposes be reconsidered as a means of simplifying property accounting procedures.
  - d. Expedite the move towards mechanized centralized accounting; the Committee feels this approach holds the greatest potential for manpower savings.

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[REDACTED]

for the  
Financial Advisory Committee


## Committee Members:

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[REDACTED] P  
[REDACTED] D/P  
[REDACTED] DD/S  
[REDACTED] DD/I

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Remarks:

Attached is a brief report on the financial procedures and reports surveys. The report reflects unanimous opinion other than in par. 4 b (not all members felt the series of office surveys might require up to 3 years to complete). The Committee desires to meet with you to explore more fully some individual views and to discuss any questions you may have.



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